

United States Bankruptcy Court
Southern District of New York

In re:

BORDERS GROUP, INC. et. al.,

Chapter 11

Case No. 11-10614

NOTICE OF TRANSFER OF CLAIM OTHER THAN FOR SECURITY

A CLAIM HAS BEEN FILED IN THIS CASE or deemed filed under 11 U.S.C. §1111 (a). Transferee hereby gives notice pursuant to Rule 3001(e) (2), Fed. R. Bankr. P., of the transfer, other than for security, of the claim referenced in this notice.

Contrarian Funds, LLC

Name of Transferee

Name and address where notices
to transferee should be sent:

Contrarian Funds, LLC
411 West Putnam Ave., Ste. 425
Greenwich, CT 06830
Attention: Alisa Mumola
Telephone: 203-862-8211
Email: amumola@contrariancapital.com

Perseus Distribution Inc.

Name of Transferor

Name and Current Address of Transferor

Perseus Distribution Inc.
Attn: Charles Gallagher, Chief Financial Officer
387 Park Ave. South
New York, NY 10016

Claim No. 2202 for the allowed amount of \$8,391,032.07

I declare under penalty of perjury that the information provided in this notice
is true and correct to the best of my knowledge and belief.

By: _____/s/ **Alisa Mumola** _____

Date: _____ **September 26, 2011** _____

Penalty for making a false statement: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. § 152 & 3571.

EVIDENCE OF TRANSFER OF CLAIM

PERSEUS DISTRIBUTION, INC., a _____ corporation, its successors and assigns (collectively, "Assignor"), pursuant to that certain Transfer of Claim Agreement dated September 1, 2011, has hereby absolutely and unconditionally sold, transferred and assigned to Contrarian Funds, LLC its successors and assigns (collectively, "Assignee") the general unsecured claim (Claim No. 2202) (the "Claim"), in the allowed principal amount of \$8,391,032.07, against Borders, Inc., (the "Debtor") in the bankruptcy proceedings (the "Proceedings") in the United States Bankruptcy Court for the Southern District of New York, Case No. 11-10615 or any other court with jurisdiction over such proceedings.

Assignor hereby waives any notice or hearing requirements imposed by Rule 3001 of the Bankruptcy Rules, and stipulates that an order may be entered recognizing the assignment of this Claim as an unconditional assignment and Assignee as the valid owner of the Claim.

IN WITNESS WHEREOF, Assignor has duly executed this Evidence of Transfer of Claim by its duly authorized representative this 1st day of September 2011.

(Assignor)
PERSEUS DISTRIBUTION, INC.

By: Charles Gallagher
Name: C Gallagher
Title: CFO

(Assignee)
CONTRARIAN FUNDS, LLC
By: Contrarian Capital Management, L.L.C.,
as manager

By: Janice M. Stanton
Name: JANICE M. STANTON
Title: MEMBER

(Assignor)
WITNESS:

By: David F. Dilowitz
Name: DAVID F. DILOWITZ
Title: V.P. - Treasury